

1903.

VICTORIA.

THE PARLIAMENTARY STANDING COMMITTEE
ON RAILWAYS.

TWELFTH GENERAL REPORT.

PRESENTED TO PARLIAMENT PURSUANT TO THE PROVISIONS OF THE RAILWAYS STANDING
COMMITTEE ACT 1890 (54 VICT., No. 1177), SECTION 18.

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MEMBERS OF THE SIXTH COMMITTEE.

LEGISLATIVE COUNCIL.

The Honorable JOSEPH HENRY ABBOTT
The Honorable DONALD MELVILLE
The Honorable EDWARD MOREY.

LEGISLATIVE ASSEMBLY.

ALBERT WILLIAM CRAVEN, Esquire
The Honorable GEORGE GRAHAM
WALTER BOLITHO GROSE, Esquire
PETER MCBRIDE, Esquire
THOMAS SMITH, Esquire
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CHAIRMAN—ALBERT WILLIAM CRAVEN, Esquire, M.L.A.
VICE-CHAIRMAN—THE HONORABLE EDWARD MOREY, M.L.C.

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TWELFTH GENERAL REPORT.

To His Excellency SIR GEORGE SYDENHAM CLARKE, *Knight Commander of the Most Distinguished Order of Saint Michael and Saint George; Fellow of the Royal Society; Governor of the State of Victoria and its Dependencies in the Commonwealth of Australia, &c., &c., &c.*

MAY IT PLEASE YOUR EXCELLENCY:

In accordance with the requirements of section 18 of the *Railways Standing Committee Act 1890*, the Parliamentary Standing Committee on Railways has the honour to submit the following Report of its proceedings since the 12th May, 1903, the date of the Eleventh General Report:—

I.—WORK OF THE SIXTH COMMITTEE.

During the four months which have passed since the last General Report of the Committee 57 meetings have been held, 30 witnesses examined, and 2,084 miles have been travelled by rail and 102 miles by road.

The questions under the consideration of the Committee are as follow:—

St. Kilda to Brighton Electric Tramway.

Conversion of the St. Kilda railway from steam to electric traction.

Hopetoun to Gorya railway.

Gippsland and Great Southern railways connecting line.

Reports on the above questions will be presented to the Legislative Assembly during the ensuing Session of Parliament.

II.—NON-PAYING RAILWAYS.

Advantage is taken of this opportunity to remove an impression that the non-paying railways, such as the Outer Circle, Kilmore to Lancefield, and those which the Commissioners of Railways recently closed, owing to the smallness of the traffic, were constructed on the recommendation of the Committee.

Those lines, like most of the unprofitable railways which are such a burden on the finances of the State, were built on the recommendation of departmental experts before the Committee was constituted. Had the merits of those lines been publicly inquired into by a similar body to the Committee, representing the Legislative Council and both sides of the Legislative Assembly, it is needless to say that the construction of railways having such poor prospects of paying and such an unimportant effect upon the settlement and development of our lands would never have been recommended.

The Committee is required by the Act under which it is constituted to sit in open court, hearing evidence on oath both in support of and against a proposed railway or water scheme, and it is also compelled where a work purports to be of a reproductive character "to have regard to the amount of revenue which such work may reasonably be expected to produce." The evidence is attached to the Committee's Report, and the reasons which induced it to arrive at its decision are fully set forth. In the event of the Committee not being unanimous in its finding the division list is published. Those interested have, therefore, every facility of obtaining a full knowledge of the matter, and considering it in all its bearings, before the recommendation of the Committee is either approved or rejected by the Legislative Assembly.

It is true that the Committee recommended the construction of two or three railways which were built in recent years and which are still on the non-paying list. In urging the authorization of those railways, however, the Committee stated in its Report that they would not pay working expenses and also interest on the cost of construction. An estimate was given in each instance of the annual loss likely to be sustained. Those lines were recommended for developmental purposes to secure the settlement of heavily timbered land, and Parliament approved of their construction with a full knowledge that they would not pay for a few years, because the settlers needed time to clear their holdings and bring the land under cultivation.

III.—THE OLD AND NEW SYSTEMS OF RAILWAY CONSTRUCTION.

Prior to the appointment of the Committee—towards the close of 1890—it not unfrequently happened that the estimates of the railway engineers for the construction of lines were very largely exceeded. For instance, the Fitzroy cockspur line was estimated to cost £11,876. The sum actually spent on that line was £75,961. The cost of the Lilydale to Healesville railway was estimated at £65,364, while the sum expended on its construction was £195,711.

Many similar instances of excessive expenditure in the former days of direct Ministerial responsibility guided by departmental experts can be cited.

Since the constitution of the Committee a considerable reduction has been made in the cost of railway construction. That much needed reform was accomplished principally by the recommendations which the Committee made from time to time being carried into effect, and also by the exercise on its part of a close scrutiny of the detailed estimates of expenditure, in order to determine whether the proposed outlay was really necessary. The Committee has not only aimed at considerably reducing the capital cost of the railways built during the last decade—thereby lessening the annual interest charge—but it has endeavoured, as far as possible, to decrease the working expenses, so that a policy of opening up new districts by the construction of lines might be steadily pursued without placing a heavy additional burden on the taxpayers through unprofitable railways being made.

The extravagant estimates of the Railway Department were not confined to the “boom” period of thirteen or fourteen years ago. In September, 1898, the Department, in estimating the cost of constructing the direct railway from Prince’s-bridge to Collingwood, provided a sum of £107,719 for “land and compensation.” The Committee at once challenged that estimate, which, in its opinion, far exceeded the amount that ought to be paid. It caused an independent valuation to be made, and the Department actually acquired the land for £62,317, or a saving of £45,402. At 4 per cent. the interest on £45,402 would amount to £1,816 per annum.

A comparison of the estimates submitted in 1890 with the actual expenditure incurred in building the railways since constructed shows what great reductions have been secured in the cost of railway construction during the past twelve years. The following statement shows all the railways (except some 10 miles to the coal-fields near Korumburra) built since the constitution of the Committee, their actual cost, and the estimated cost on the 1890 basis :—

Comparison of
estimates and
actual cost.

Lines constructed since 1890.	Date of Opening.	Length.	Actual Cost to 1st May, 1902.		Estimate on 1890 basis.	
			Per Mile.	Total.	Per Mile.	Total.
		Miles.	£	£	£	£
Warracknabeal to Beulah ...	5.1.93	22	Average, £1,762 per mile for 266½ miles	469,507	Average, £5,402 per mile	1,439,633
Donald to Birchip ...	28.3.93	32¼				
Beulah to Hopetoun ...	6.3.94	16				
Dimboola to Jeparit ...	19.6.94	23				
Natimuk to Goroke ...	31.7.94	28¼				
Boort to Quambatook ...	7.8.94	22				
Wycheproof to Sea Lake ...	8.3.95	47¾				
Birchip to Woomelang ...	18.9.99	26½				
Jeparit to Rainbow ...	2.11.99	18½				
Quambatook to Ultima ...	1.3.00	30¼				
Nathalia to Picola ...	15.12.96	6¾	1,848	12,476	6,064	40,932
Wangaratta to Whitfield ...	14.3.99	30¼	1,142	34,542*	6,061	183,345†
Ferntree Gully to Gembrook	18.12.00	18½	2,913	53,895*	15,489	286,551†
Melbourne to Collingwood ...	21.10.01	2	105,542	211,084	179,732	359,464
Lilydale to Warburton ...	13.11.01	23½	3,870	90,957†	15,782	370,865†
Colac to Beech Forest ...	1.3.02	30	2,233	67,000*	8,411	252,338†
Heidelberg to Eltham ...	5.6.02	8¼	6,609	54,526	16,612	137,049
...	...	385¾	...	993,987	...	3,070,177
Reduction	£2,076,190	...

* Narrow gauge.

† Broad gauge.

The foregoing enormous reduction in the capital cost of new railways means an annual saving to the State in interest (at 4 per cent.) of £83,048. Saving in interest effected.

IV.—LOSSES ON IRRIGATION WORKS.

Under the terms of *The Irrigation Act* 1886, sums totalling £1,036,852 were advanced to Irrigation Trusts to carry out various water schemes. Before the money was lent by the Government to those bodies, the Act required that the schemes were to be examined by "one or more competent officers" of the Water Supply Department. The object of the examination was, of course, to ascertain not only if the proposals were practicable, and whether the money was to be spent to advantage, but also to determine if the annual receipts were likely to cover the expenses of maintenance and management as well as the interest charges and contribution to the sinking fund for the redemption of the loans.

The Act went on to say that, on receiving the reports of the departmental officers, the Minister, if he "thought fit to do so," could fix the amount to be advanced to the Trusts by way of loan.

It is needless to say that, unfortunately, in this case also Ministerial responsibility guided by departmental experts proved a very ineffectual safeguard of the public interests. Parliament therefore decided in 1899 when writing off, as a bad debt, £720,252 out of the £1,036,852 advanced to the Irrigation Trusts (together with £337,239 arrears of interest), to enact (Act 1651) that in future no water scheme costing more than £10,000 should be undertaken until it had run the gauntlet of a public inquiry before the Committee.

V.—MALLEE WATER SCHEMES.

In view of the interest taken in the question of the supply of water to the Mallee, it may not be out of place to state that if the proposals to carry water from the Goulburn River westward into the heart of that arid country, and to draw water from the Murray River at Tooleybuc to supply the Northern Mallee, did not practically originate with the Committee, at any rate, those schemes first assumed definite shape because of the action of members of the Committee.

In November, 1897, the Honorable D. Melville, one of the members of the Committee, called the attention of the Legislative Council (*vide Hansard* 30th November, 1897) to the "pressing necessity of creating waterways from the Murray River to the Mallee country." He said that "the great depressions to be found coming from Swan Hill were all below the Murray River at flood," and added—"In a distance of 50 miles from Swan Hill along the Murray there were half-a-dozen places which could be picked out for the purposes of water supply."

The Solicitor-General promised that "during the recess the Government would send an experienced officer of the Water Supply Department to the locality in question with instructions to make a flying survey, take levels, and prepare a report as to whether the proposed scheme is practicable or not." A few days later an officer of the Department had an interview with Mr. Melville, and in the course of several months the Department devised the Tooleybuc scheme for supplying the Northern Mallee with water drawn from the Murray. The proposal of the Department prior to the interposition of that member of the Committee was to supply the Northern Mallee with water pumped from Lake Boga or the Little Murray. That would have been a costly scheme compared with the gravitation one from Tooleybuc.

It was also on the suggestion of the Committee that the Water Supply Department sent an officer (Mr. McGregor) to make a survey of the country from the Campaspe River westward to Yariambiac Creek in the heart of the Mallee, to prove that the waters of the Goulburn River could, if necessary, be carried that far by gravitation. It is gratifying to the Committee to know that those who were foremost in condemning it for proposing to send water from the Goulburn River to the Eastern Mallee, and for the delay occasioned by making the survey to determine the practicability of the proposal, are now indorsing its action.

VI.—SHIPPING ACCOMMODATION AT THE PORT OF MELBOURNE.

The Committee is an advisory body only, and having no administrative powers cannot be held responsible for any delay in giving effect to its recommendations. Twelve months ago the Committee urged that certain improvements for the accommodation of ocean-going vessels trading to the port of Melbourne should be carried out, but up to the present the work has not been commenced.

A. W. CRAVEN,
Chairman.

Railways Standing Committee Room,
State Parliament House, Melbourne,
1st September, 1903.